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mended by the Tariff Commission to the President remained unimplemented.

For the third time on March 31, last Thursday, the Tariff Commission has found serious injury and for the third time recommended increased duty rates as the only practical solution to the lead-zinc industry's problem.

I emphasize the word only since this most recent report positively rejects quotas as a suitable instrument for the protection of lead-zinc products.

However, I wish to point out to my colleagues that in the two previous cases the Commissioners unanimously recommended increases in duties in varying amounts but in this last case four of the Commissioners felt that recommendations could be extra legal in their nature and two Commissioners made the duty recommendations. I wish to further emphasize that the Commissioners unanimously reiterated that there was serious injury and rejected the use of quotas.

I quote from the Tariff Commission's report, pages 109–110:

Import quotas affecting such a large and complex industry as lead and zinc have not proved a satisfactory means of curtailing excessive imports of these metals. The quotas adopted are rigid and inflexible and, being incapable of adjusting the changing elements of domestic supplies to the changing and varied needs of industrial consumers, have tended to increase, rather than to reduce instability of market prices, and thereby to thwart the best interests both of domestic producers and consumers of lead and zinc. The system of import quotas has been discriminatory in its effects upon various producers, importers, and consumers, and has created unusual difficulties for some while it has brought windfall advantages to others. In zinc smelting, especially, the absolute quota system has tended to eliminate small, though efficient, producers who, with little or no control over domestic ore supplies, are rendered increasingly dependent upon precarious foreign ore supplies. On the one hand, this has tended to reduce nearby markets for ores produced by domestic mines in areas near the location of such smelters. On the other hand, it has tended to concentrate control over domestic ore supplies in the hands of a few powerful integrated corporations, and, with imports strictly limited by quotas, to increase there control over domestic supplies and market prices. Finally, import quotas have seriously interfered with normal trade relations between smelters or importers and their suppliers and between producers or importers and their customers, thereby forcing unusual, unnatural, vexing, and often uneconomic, adjustments.

With this background I feel sure my colleagues will understand and support my decision to introduce legislation which is designed to implement the findings of this most recent report of the Tariff Commission.

H.R. 11584 does just this; for the basic unmanufactured products of lead and zinc ores and metals, and, as further recommended in last Thursday's report it provides the necessary commensurate protection for a limited number of semimanufactured products whose substantial or chief value is lead or zinc.

The bill—following the findings of two members of the Tariff Commission—provides a tax on lead ores of 2.1 cents per pound on the lead content and on lead metal of 3 cents per pound; a tax on zinc ores on the zinc content, of 1.75 cents per pound and on zinc metal of 2.5 cents per pound with commensurate protection on certain related products.

This latter mentioned duty coverage for semimanufactured products may cause you some concern as indeed it did me. However, when you have had an opportunity to study the interrelated economics of the two categories, unmanufactured and semimanufactured, all articles of active international commerce, I am certain you will become as convinced as I am that it would be impractical, if not to say fatal, to afford protection to the unmanufactured articles and leave it to the time consuming processes of the Tariff Commission to plug semimanufactured loopholes.

In this connection, it should be recalled that escape clause action is not possible until after injury or threat of injury has been established and at that time it has to be considered on an article-by-article basis. This study involves locking the barn door not only after the horse has been stolen but also after the roof and the walls are taken as well.

The State of Tennessee last year became the Nation's largest mine producer of zinc. East Tennessee is responsible for 100 percent of this production.

May I emphasize here that in the case of hard rock mining, such as lead and zinc, reasonable protection has a chronological implication of the utmost importance. If higher levels of duties are established under escape clause proceedings, these duties are constantly subject to downward adjustment on an annual or biannual basis. This condition of short-range price stability in no way meets the requirements of the lead-zinc industry. The risk capital required for exploration and development of new deposits generally will require 5 or even up to 10 years before return on investment can be anticipated. Only legislation will afford investors the essential prerequisite of long-range stability required to place this industry on a sound and stable basis.

In summary, I wish to repeat that this Tariff Commission report of March 31, 1960, supplements the investigations of the Commission of July 1953 which were reported in April 1954 under section 332 of the Tariff Act of 1930 pursuant to a resolution of the Senate Committee on Finance and a resolution of the House Committee on Ways and Means. Those resolutions directed that the report of the Commission should set forth the facts relative to the production, trade, and consumption of lead and zinc in the United States and take into account all relevant factors affecting the domestic economy, including interests of consumers, processors, and producers and including the effect of imports of lead and zinc on the livelihood of American workers.

Not only the people of east Tennessee need and deserve the stability and expansion of the mining areas of this basic industry. The people of the mining areas of the country, the employees of the smelter areas in the South-Southwest, and Central and Eastern States will be benefited. Not only will labor be benefited, but, in addition, our merchants and our communities. This legislation will also add substantial wealth to the overall economy of our Nation.

There may be some in the lead-zinc industry who believe in good faith that higher rates of duty than those contained in the bill are required to solve the problems of the industry and certainly their views will receive consideration by the Ways and Means Committee as will the views of those in the industry who believe that the proposed rates are too high.

Seven years is long enough to ponder this problem. We have the facts and the recommendations of the Tariff Commission and now we should translate them into sound, proper, and constructive legislative action.

FOREIGN TAX CREDITS

(Mr. VANIK asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. VANIK. Mr. Speaker, I was shocked by the parliamentary proceedings and the legislative apathy which permitted the passage of H.R. 10087, a bill to amend the Internal Revenue Code of 1954 to permit certain taxpayers to elect an overall limitation on the foreign tax credit, without a rollcall vote. This legislation deserved more careful consideration by every Member of the House, since it provided tax relief for a very special group of American corporations doing business abroad.

I oppose this legislation because of my fear that it will provide special tax escape routes for those enterprises which engage in oil development in nations like Saudi Arabia and Venezuela. Several years ago royalty agreements which divided profits with these nations on a 50-percent basis were substituted by taxes levied by the respective governments equivalent to these royalties.

The treatment of these payments as royalty would have provided these corporations with ordinary business deductions. The conversion of these arrangements into a 50-percent tax arrangement instead of a 50-percent royalty arrangement permits these American corporate beneficiaries to enjoy an extra special tax benefit as a foreign tax credit deductible against income earned in other countries and in the United States.

The unfortunate part of this legislation is that it would increase and spread foreign tax credits in situations where the foreign tax was merely arranged for the tax benefit of certain American corporations.

CORRECTION OF ROLLCALL

Mr. RHODES of Pennsylvania. Mr. Speaker, on rollcall No. 40 I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

A SENSIBLE APPROACH TO THE PROBLEM OF INFLUENCE BY RETIRED OFFICERS

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the RECORD and include an article.)

Mr. STRATTON. Mr. Speaker, there has been some tendency in the House today to approach the whole question of influence by retired officers in a burst of emotionalism. I hope we will remember that what we are legislating on here in the bill reported from the Committee on Armed Services is nothing less than the security of our Nation, and the men who make up the Armed Forces on which our freedom must depend today and in the years to come as we face the menace of Soviet communism. Let us in our zeal to "soak the brass" not be tempted into anything that will weaken this Nation in its struggle to survive and win out over godless communism.

I came across today in the New York Times an article by the distinguished military editor of that newspaper, Mr. Hanson W. Baldwin, which puts the issue before us into what I regard as sensible, reasonable perspective.

Under leave to extend my remarks I include the article herewith and commend it to my colleagues before we vote on tomorrow:

TWO BATTLES ON HOME FRONT—HOUSE FACING CLASHES ON RETIREMENT PAY AND CONFLICT-OF-INTEREST CURES

(By Hanson W. Baldwin)

Two subjects of great importance to military personnel, but of even broader concern to the social fabric of the nation are before Congress this week.

Yesterday the House Armed Services Committee started consideration of a bill to equalize service retirement pay. The floor of the House is also expected to be a cockpit for struggle over new legislation defining conflict of interest for retired officers. The history of the retirement-pay legislation is a narrative of frustration. It provides, in a nutshell, one of the reasons the Government has found it so hard to attract highly qualified young officers to a professional career in the armed forces and why it has found it difficult to retain them.

SENSE OF LOYALTY LACKING

The reasons is the lack, on the part of too many civilian officials in the Executive department, of a fierce sense of "loyalty down." The uniformed officer robbed of much of his authority by the "civilianization" of the services since World War II, is nevertheless always held responsible by his civilian superiors.

But the "loyalty up" so easily demanded by the civilians is not so often reciprocated in "loyalty down."

The retirement-pay legislation has been before Congress now for 2 years in one form or another. It was introduced, first, on the initiative of individual members, to right an inequity in the 1958 pay bill.

This act created two classes of retired officers. All those who retired before the bill went into effect, received a 6-percent pay increase; those, who retired afterwards generally received much more for the same retired rank and length of service.

The act thus broke with tradition and the past in changing the proportionate relationship of retired, to active duty, pay. It created two economic classes of retired officers.

The Defense Department did little or nothing to try to prevent this inequity. Despite vigorous objections from the individual services, it has done little in the last 2 years to modify it.

Yesterday, Secretary of Defense Thomas S. Gates Jr., as leading Administration witness, took the opportunity to remedy this neglect. He strongly supported the current attempt to right a wrong.

The conflict-of-interest measure may provide a congressional donnybrook, Representative F. EDWARD HÉBERT, Louisiana Democrat, headed a subcommittee of the Armed Services Committee that studied conflict-of-interest laws governing employment of retired officers.

As a result of his investigation, which revealed no wrongdoing but some bad judgment and poor ethics, he has prepared a bill to modify existing legislation.

Mr. HÉBERT's bill provides for a $10,000 fine and imprisonment for retired officers or civilian employees of the Defense Department employed by private companies who, within 2 years after retirement, engage in selling anything directly or indirectly to the Department of Defense.

However, the full House Armed Services Committee, under the chairmanship of Representative CARL VINSON of Georgia, amended the Hébert bill drastically. It eliminated the fines and imprisonment penalties but provided for loss of retired pay.

Yesterday, in a stormy session, it again rejected Mr. HÉBERT's criminal penalties, but added a provision for trial by court-martial of any retired officer who engaged in "selling" to the Defense Department within 2 years after retirement.

The House debate, unless it is averted by an off-the-floor settlement, will argue the two versions of the bill.

The importance of both of these measures, not only to the military services but also to the Nation, is implicit in their terms. Discriminatory provisions—either in pay or in job opportunities—against military retired personnel obviously are harmful to morale.

A FACTOR IN BUDGET

On the other hand, it is essential that any abuses be curbed, whether out-and-out and corruption, "influence peddling," or even bad ethics, though practiced only by a few.

The Bureau of Social Science Research, and Albert D. Biderman, a member of the Bureau, who has made a special study of the military retirement problem, have pointed out that the number of persons receiving military retired pay will increase from 213,557 in 1958 to an estimated 1,163,000 in 1983. Present costs of $715 million annually will rise to more than $1 billion by 1964.

But "outweighing these costs," the Bureau notes, "is the great potential for contributions, both economic and civic, that this group (of retired military personnel) will possess.

"Most of its members will be well educated, broadly experienced and relatively young"—a reservoir of tremendous value to the Nation.

Obviously Congress should do nothing to impair this asset.

FEDERAL EMPLOYEE COMMUNIST ACTIVITIES TESTIMONY ACT OF 1960

(Mr. WALTER (at the request of Mr. KING of California) was given permission to extend his remarks at this point in the RECORD.)

Mr. WALTER. Mr. Speaker, I have just introduced a bill providing that any Federal officer or employee who willfully fails or refuses to answer questions relating to Communist activities, when summoned to appear before Federal agencies, shall be removed from his office or employment.

The bill, titled the "Federal Employee Communist Activities Testimony Act of 1960," is patterned after a California statute which was recently held valid by the U.S. Supreme Court in the case of Nelson and Globe against County of Los Angeles, decided February 29, 1960.

As chairman of the Committee on Un-American Activities, I am frequently asked this question: "Are there Communists now in the Government?" The only answer I can give is that under present procedures the Committee on Un-American Activities is precluded from finding out whether or not there are Communists in Government, although we know that since the 1956 decision of the Supreme Court in Cole against Young, 109 employees of the Federal Government who had been dismissed as security risks have been restored to Government service, including employment in such agencies as the Air Force, the Army, and the Navy. It will be recalled that in Cole against Young the Supreme Court ruled that an employee of the Federal Government could not be dismissed under the Summary Suspension Act in the interest of national security unless he occupied what the Court described as a "sensitive position." In other words, according to the Court's opinion, it is perfectly proper to have a Communist in the file room where security reports are kept so long as his official position does not technically entitle him to have access to the security reports.

The Committee on Un-American Activities has repeatedly attempted to procure from the executive agencies identifying information on the security risks who have been restored to Government service, but this information has been adamantly refused by the executive agencies concerned and, indeed, by the White House itself.

In Nelson and Globe against County of Los Angeles, the Supreme Court examined a provision of the California code which made it the duty of any public employee when summoned before an appropriate Government agency to give the information of which he was possessed on communism and other subversive activity. The California code provides for dismissal of any such public employee who fails or refuses to appear or to answer the questions propounded.

In sustaining the validity of the California statute, the Court found that, notwithstanding the public employee's invocation of the fifth amendment, his refusal to reply to the questions propounded was sufficient basis for his discharge because the State may legitimately predicate discharge on refusal of a public employee to give information touching on the field of security.

The text of the bill follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Employee Communist Activities Testimony Act of 1960."

SEC. 2. The Subversive Activities Control Act of 1950 (64 Stat. 989) is amended by inserting, immediately after section 3 thereof, the following new section: